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1 (Id.  $\P$  20). The '338 patent allegedly concerns probes for polynucleotide molecules such as DNA and 2 RNA. (Id.  $\P$  20).

In order to avoid any complications concerning the planned sale of its NAT test kits, Gen-Probe
entered into a license agreement with Vysis concerning the '338 patent. (Id.). Under the terms of this
agreement, Gen-Probe must make financial payments to Vysis for royalties of the sale of any products
covered by the '338 patent. (Id. ¶ 21).

Gen-Probe now alleges that the '338 claims are invalid and that their NAT tests would not
infringe on the '338 patent if the claims were valid. In its complaint, Gen-Probe asserts the following
causes of action: (1) non-infringement of the '338 patent; (2) invalidity of the '338 patent; (3)
declaratory relief concerning the licensing agreement between the parties; and (4) a state court unfair
competition claim under California Business and Professions Code section 17200, et seq.

#### DISCUSSION

### I. <u>Request for Stay</u>

Vysis argues that the matter should be stayed pending a reissue application of the '338 patent with the United States Patent and Trademark Office ("PTO"). In considering a motion for stay, a Court must weigh the benefits resulting from the reissue process against the hardships and prejudice that a stay will cause on the parties. <u>See Xerox v. 3Com Corp.</u>, 69 F. Supp. 2d 404, 406-07 (W.D.N.Y. 1999).

19 In this matter, Gen-Probe contends that the '338 patent is invalid. Vysis asserts that because 20 the PTO will consider the reissue application in light of Gen-Probe's assertions that the patent is invalid, 21 a stay would further "interests of judicial economy" and the Court would benefit from the PTO's 22 expertise and conclusions concerning the reissue application. However, the validity of a patent cannot 23 be based solely on the decisions of the PTO and the Court must still rule on the validity of the patent. 24 See Ouad Environmental Tech v. Union Sanitary Dist., 946 F.2d 870, 875 (Fed. Cir. 1991) (holding 25 that courts are the final arbiters of patent validity and must decide without deference to the rulings of 26 the patent examiner).

Furthermore, there is no way to determine the length of time required for the PTO to examine the reissue patent application. The parties disagree on whether the expedited status of reissue

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applications would guarantee its resolution within a year and the PTO's procedures concerning the
 examination of the application are beyond the Court's control.

Consequently, the Court DENIES the request for a stay at this time.

# II. Motion to Dismiss the Cause of Action for Unfair Competition

Pursuant to Federal Rule of Civil Procedure 12(b)(6), Vysis also moves to dismiss the fourth 5 cause of action for unfair competition under California Business and Professions Code section 17200, 6 7 et seq. To prevail on this claim, Vysis must show that "the plaintiff can prove no set of facts in support 8 of [its] claim that would entitle [it] to relief." See Schneider v. California Department of Corrections, 9 151 F.3d 1194, 1996 (9th Cir. 1998). Furthermore, the Court must accept the facts that Gen-Probe 10 asserts in its complaint as true. See Cooper v. Pickett, 137 F.3d 616, 623 (9th Cir. 1997). Section 17200 proscribes unlawful, unfair or fraudulent business practices or conduct. See Cel-Tech 11 12 Communications, Inc. v. Los Angeles Cellular Telephone Co., 20 Cal.4th 163, 180 (1999).

Gen-Probe alleges that Vysis "knows or should know the underlying facts establishing the validity of the ... '338 patent." (First Am. Compl. ¶ 35). Gen-Probe also alleges that Vysis continues to attempt to enforce this patent despite its knowledge that the patent is invalid. (<u>Id.</u>). The Court finds that these allegations sufficiently allege a cause of action under Federal Rule of Civil Procedure 12(b)(6). Consequently, the motion to dismiss is DENIED.

#### CONCLUSION

19 The Court DENIES the motion for a stay. The Court also DENIES the motion to dismiss the20 fourth cause of action.

21 IT IS SO ORDERED. 22 DATED 23 24 25 26 27

UNITED STATES DISTRICT COURT

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# TAB 1

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The Collins patent is directed to an amplification process for amplifying a target polynucleotide contained in a sample, comprising the steps of contacting the sample with a first support which binds to the target polynucleotide; substantially separating the support and bound target polynucleotide from the sample; and amplifying the target polynucleotide. The term "amplify" is defined very broadly in the specification. This definition is broad enough to include, for example, amplification of captured polynucleotides by cloning; production of cell-free translation products of the captured polynucleotides; and the enzymatic reproduction of the captured polynucleotide. Numerous prior art references disclose binding of polynucleotides to solid supports. separating the support and the bound polynucleotides from the sample and subsequently amplifying the polynucleotides by insertion into cloning vectors and growing up in host cells. As merely illustrative of such papers, one can mention Arsenyan, S.G. et al., Gene 11:97-108 (1980). Other references disclose binding polynucleotides to solid supports, separating the support and bound polynucleotides from the sample and amplifying the polynucleotides by using them to produce translation products in cell-free translation systems. See, for example, Strair, R.K. et al, P.N.A.S. 74:4346-4350 (1977) and Hirsch, F.W. et al, P.N.A.S. 75:1736-1739 (1978). Note also that the Strair reference describes the use of a "retrievable support" for capture of the polynucleotide. Still other references disclose binding of polynucleotides to solid supports, separating the support and bound polynucleotides from the sample and amplifying the polynucleotides enzymatically. These include Montgomery, D.L. et al, J. Biol. Chem., 257:7756-7761(1982) and Boss, J.M. et al, J. Biol. Chem., 256:12958-12961 (1981). Again, note that the Boss reference discloses a dispersible support. I would also draw your attention to Georgiev, G.P. et al, Science, 195:394-397 (1977), which discloses "the preliminary enrichment [by capture on a solid support] of DNA used for amplification".

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